

What Is the Process?

Once the written agreement is completed, each municipality's governing board must hold a public hearing on the agreement. Notice of the Public Hearing must abide by the Open Meetings Act No. 267. A majority of each governing board, from each municipality, must then formally approve the agreement.

An agreement cannot take effect if any of the following conditions occur:

- If a majority of the Board or Council from either municipality calls, by resolution, for a public referendum on the agreement, then the agreement cannot take effect until a majority of the citizens of that municipality vote and approve of the agreement.
- If, within 30 days after the public hearing, a petition signed by more than 20% or more of the registered voters residing within the proposed property for conditional land transfer is filed with the local clerk in which the property is located, a public referendum on the agreement shall then be held in that municipality.
- If no registered voters reside within the proposed conditional land transfer property and, if 30 days after the public hearing a petition is signed by persons owning 50% or more of the property that will be transferred, a public referendum on the agreement will be held in that municipality.

Otherwise, the PA 425 takes immediate and complete effect and must be filed with the County Clerks and Secretary of State.

Zoning changes, the addition of an Industrial Development District for future tax abatements under P.A. 198, as well as agreeing upon which building department, planning department, code enforcement, police department, fire department and/or any other municipal services provided to the property, should be agreed upon. Zoning changes and the creation of districts can all be included in the P.A. 425 agreement, thus avoiding lengthy and necessary public hearings for all of these additional steps. They all can be fully addressed and discussed, by the public, during the public hearing for the P.A. 425 agreement.

To conclude, P.A. 425 agreements:

- Allow neighbors to remain neighbors.
- Smartly develops property from a more regional perspective.
- Increases everyone's revenue.
- Creates jobs which lead to more people paying taxes, shopping at local businesses and sending their kids to schools in both municipalities.
- Opens a door to more dialogue and cooperation within a region.